

SERIAL NO. 09/552,073
ATTORNEY DOCKET NO.: 4526-29945

REMARKS

Reconsideration of the application and withdrawal of the rejections and objections is respectfully requested in view of the foregoing amendments and the remarks that follow.

Claims 26-84 and 118-129 are pending in this application. Claims 85-117 and 130-157 have been withdrawn as directed to nonelected subject matter. All remaining claims were rejected over various art. Claim 26 has been amended to correct a typographical error. Claims 58 and 122 have been amended to improve their readability.

A more descriptive new title is presented, in accordance with the discussion with the examiner.

The Abstract of the Disclosure, originally filed with this application, has been deleted and replaced with a new Abstract that is more descriptive of the claimed subject matter in this application.

Claim 26 has been amended to correct a minor typographical error, namely, to remove the superfluous word "with" where it did not belong.

Claim 122 has been amended to clarify the operation of the account sweep control module, per the suggestion of the examiner, as that paragraph in the claim was apparently difficult to read. The claim has been amended by reformatting it (but not substantively) to make it clear that the module is responsive to the notification from the financial institution for communicating the recited debit posting message, and for crediting the predetermined deposit amount to a transaction account maintained by the licensed money transmitter.

Claim 58 has been amended similarly to that of claim 122.

On page 2, line 3 of the Office Action, the examiner indicated that claims 26-84 and 130-157 were examined on the merits. It is believed that the examiner meant to indicate claims 26-84 and 118-129 instead.

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Arguments as to Patentability

Claims 26, 27, and 61 were rejected under 35 U.S.C. §103 as unpatentable over U.S. Patent 5,650,604 to *Marcous et al.*

Claims 28-47, 62-81, 123, and 127-129 were rejected under 35 U.S.C. §103(a) as unpatentable over *Marcous et al.* in view of U.S. Patent No. 5,457,305 to *Akel et al.*

Claims 48-58, 118, 122, and 126 were rejected under 35 U.S.C. §103(a) as unpatentable over *Marcous et al.* in view of U.S. Patent No. 6,012,048 to *Gustin et al.*

Claims 59, 60, 119-121, 124, and 125 were rejected under 35 U.S.C. §103(a) as unpatentable over *Marcous et al.* and *Gustin et al.* and further in view of U.S. Patent No. 5,875,437 to *Atkins*.

These rejections are respectfully traversed, for the reasons that follow. The applicant requests reconsideration of the rejection, on the ground that the cited art fails to disclose, teach, or suggest the claimed subject matter, so that the rejection under 35 U.S.C. §103 and 103(a) should be withdrawn.

The applicant would like to point out a few key distinctions that are important differentiators from the cited *Marcous et al.* patent. Once these limitations and distinctions are understood, it should be clear how novel and nonobvious the present invention is. First, all independent claims are clearly limited to a payment system of a licensed money transmitter. Second, all claims recite an account maintained at a regulated financial institution. Third, by law regulated financial institutions can receive direct deposits but licensed money transmitters cannot. These systemic and structural limitations gave rise to the need for a solution to allow the issuance of negotiable instruments by licensed money transmitters, with funds that derive from direct deposits – which is that of the present invention.

Based on these limitations, it should be clear that the *Marcous et al.* patent simply fails to provide the teachings, or suggest such teachings, that the examiner has relied upon.

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First, all independent claims (26, 48, 58, 118, and 122) either recite or are otherwise in the context of a licensed money transmitter. For example, the preamble of claim 26 is clearly limited to a payment system of a licensed money transmitter. Other claims have similar limitations or requirements, in their relevant contexts. A licensed money transmitter is an entity that moves money from one location to another, and that is regulated by governmental authorities to have very clearly defined limits on what it can and cannot do. There are many federal and state laws that determine what constitutes a licensed money transmitter and what such entities must do be in compliance with those laws. For example, the following URLs link to documents that relate to licensed money transmitters:

State of Georgia:

<http://www.ganet.org/dbf/pdfdoc/TransmittingMoneyinGAConsumer.pdf>

State of New York: <http://www.banking.state.ny.us/brrnts.htm>,

<http://www.banking.state.ny.us/ialf.htm#Money%20Transmitters>

FAQs about money transmitters at the IRS:

<http://www.irs.gov/govt/tribes/article/0,,id=108297,00.html>

(Copies of such documents will be provided upon request.)

The present application very clearly recites, in the very first paragraph of the Summary of the Invention, that the present invention provides “a system and method whereby a non-bank entity, such as a Licensed Money Transmitter, may issue prepaid negotiable instruments to an individual.” (Application page 2, lines 10–12)(emphasis supplied)(Application page 4, lines 15–22).

In contrast, the *Marcous et al.* patent has nothing at all in common with a licensed money transmitter, and mentions nothing about a licensed money transmitter being involved. Entities that are involved with electronics funds transfer (such as ATM operators) are subject to various regulations concerning their operation. The *Marcous et al.* patent is clearly concerned with dispensing money from an ATM and shows no concern or appreciation for issues involving a licensed money transmitter.

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The examiner cited to *Marcous et al.* col. 1, line 66 to col. 2, line 14, and col. 3, lines 4–18, and col. 3, line 59 to col. 4 line, 15 as purportedly teaching or relating to a “licensed money transmitter.” The cited portion is simply not germane — the cited portions of the reference have nothing to do with a licensed money transmitter. There is nothing in the reference that even remotely contemplates a problem with funds transfer between licensed money transmitters and regulated financial institutions; licensed money transmitters are not even remotely hinted at.

Second, the claims recite an account maintained at a regulated financial institution. A regulated financial institution, such as a bank, is an entity that is subject to federal banking regulations. (Application page 2, line 17). A regulated financial institution can operate ATMs, but the present invention is not solely directed to ATM operation – other aspects are involved and required. These regulated financial institutions are subject to different regulations and limitations than licensed money transmitters; they are different kinds of financial institutions with different functionality and capability.

Third, and importantly, regulated financial institutions can receive direct deposits of payments, but licensed money transmitters cannot. As discussed in the present application and as shown in FIG. 1 thereof, this regulated financial institution (in the “banking environment” shown in the figure) maintains an FDIC insured bank account 104, which may either be held in the name of the Licensed Money Transmitter or in the name of the individual consumer. (Application, page 6, lines 23–24)(FIG. 1). The bank account 104 is capable of accepting federal benefit direct deposits 106 and payroll direct deposits 108, as well as any other type of federally regulated or banking industry standardized transfer of funds. (Application page 6, line 24–29)(emphasis supplied). These limitations are clearly pointed out in the application:

Due to various federal regulations and industry requirements, the transaction account 102 is not FDIC insured and is not authorized to accept funds that are transferred through the Automatic Clearinghouse (ACH) system of the federal reserve. ... Without ACH access the transaction account 102 is not authorized to accept direct deposits of federal benefits checks, payroll check from employers, or the like.

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(Application page 6, lines 12-19).

The examiner's citation to col. 3, line 59 – col. 4, line 15 in *Marcous et al.* for the proposition that a licensed money transmitter and/or associated transaction account is unauthorized to accept direct deposits is actually irrelevant and inapposite. The cited portions relate to operations of an input terminal (telephone, personal computer, ATM), with a card to make funds available from a financial account corresponding to the card. There is nothing at all about how funds *get into the account*, let alone any connection between a licensed money transmitter and a regulated financial institution. The *Marcous et al.* patent simply does not provide any applicable teachings or suggestions in this direction.

Indeed, the *Marcous et al.* patent is strictly concerned with getting money *out of a system* (an ATM in particular), and not at all concerned with *how the money gets there*.

Generally characterized, all claims in the present application are concerned with the relationship between a licensed money transmitter, a regulated financial institution, a direct deposit of funds, and the sweeping and/or crediting of the recited accounts in response to the direct deposit of funds, so that a customer can avail himself or herself of the licensed money transmitter network to obtain funds, make payments, receive a cash card, obtain negotiable instruments, etc. (This is of course a general characterization provided to assist the examiner in appreciating the differences between the claimed inventions and the cited references, as the claims must speak for themselves, each as written.) These aspects, in combination, and in the manner recited in the various independent claims, are not disclosed, taught, or suggested in any of the references.

In order to avoid making this more complicated than it should be, the applicants respectfully submit that the foregoing should be sufficient to assist the examiner in understanding and appreciating the differences between the cited art and the claimed inventions of independent claims 26, 48, 58, 118, and 122, and their respective dependent claims. Notwithstanding, the applicants provide the following additional comments regarding the secondary references, which fail to supply the missing teachings.

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The cited but secondary *Akel et al.* patent (5,457,305) and *Gustin et al.* patent (6,012,048) do not provide any requisite teaching that would permit the examiner to form a valid prima facie case of lack of novelty or obviousness. The *Akel et al.* patent was only cited for the secondary proposition of teaching a point of sale (POS) terminal. (Office Action, page 4, lines 40–45). This does not meet the claims as regards the principal limitations, as discussed above. The *Gustin et al.* patent was cited (col. 18, line 55 – col. 19, line 20) for the secondary proposition of teaching, at the licensed money transmitter, and in response to the request for issuance of a prepaid negotiable instrument, determining that the value of the requested prepaid negotiable instrument is not in excess of the balance of the transaction account. (Office Action, page 12, line 18; and other citations). This is not relevant as regards the principal inventive aspects.

Gustin et al. also has absolutely nothing to do with a true licensed money transmitter in relationship to a regulated financial institution. The cited portions of this reference relate to a request for a wire transfer input into a screen display of an automated banking system (FIG. 9). The system has nothing to do with licensed money transmitters relative to regulated financial institutions. The *Gustin et al.* machine must be within a banking network and therefore is strictly within the regulated banking system (see claim 1, col. 23; this is *not* a licensed money transmitter). Further, the *Gustin et al.* system “performs the usual ATM functions but additionally issues money orders for the user without the presence of a teller ... [and] allows the depositing of cash into the machine and provides additional functions, such as transferring money by wire, paying bills or purchasing end user items from the machine.” (*Gustin et al.* col. 4, lines 1–7). Again, this is not relevant as regards the claimed inventive aspects.

The *Atkins et al.* patent (5,875,437) was cited for the secondary proposition that a requesting source (for issuance of a negotiable instrument) comprises an ATM, an agent POS terminal, or a card reader terminal. (Office Action, page 22, citing col. 34, lines 19–27). The *Atkins et al.* patent relates to a system for the operation and management of one or more financial accounts through use of a digital communication and computation system for exchange, investment, and borrowing. It does not relate at all to a negotiable

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instrument payment system; it clearly is directed to management of financial accounts such as mortgages, investments, etc. The cited portion of this patent only indicates that functions of a POS terminal may include credit authorization, transaction confirmation, check recognition and authorization, receive and send charge information from conventional magnetic strip cards or infrared devices, etc. Again, this is not relevant as regards the principal inventive concepts.

In summary, is submitted that no art discloses, teaches, or suggests the subject matter set forth in independent claims 26, 48, 58, 118, and 122, as they presently stand, and their respective dependent claims, and all of such claims are novel, nonobvious, and patentable. It is requested that the rejection be withdrawn and the patent allowed.

V. CONCLUSION

The foregoing is submitted as a full and complete response to the Office Action mailed July 26, 2005, and is believed to have placed all claims in condition for allowance. Such action is courteously solicited. If any issues remain that can be resolved by telephone, the examiner is respectfully requested to contact the undersigned at 404 504 7720.

Respectfully submitted,

Dated: October 26, 2005

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